GLASTONBURY BOARD OF FINANCE
REGULAR MEETING MINUTES
WEDNESDAY, DECEMBER 10, 2025

The Glastonbury Board of Finance, along with Finance Director, Keri Rowley and Town Manager, Jonathan Luiz, held a regular meeting at 4:00 p.m. in the Council Chambers of Town Hall at 2155 Main Street, with an option for Zoom video conferencing. Also in attendance was Chris Liebel, Controller.

Roll Call

Members
Mr. Constantine "Gus" Constantine, Chairman
Mr. Jared Soper, Vice Chairman
Mr. James Zeller
Mr. Robert Lynn
Ms. Susan Karp
Mr. Kevin Graff

1. Public Comment Session: Comments pertaining to the call ***None.***
2. Communication: Minutes of November 10, 2025 Special Meeting

   Accepted as presented.
3. Communication:
   a. Pension Report – October 2025

Ms. Rowley reviewed the report dated December 1, 2025.

   b. Pension, New Hire Flash and OPEB Report – November 2025
      - Will be sent out via email when available

Ms. Rowley stated that Fiducient should have the reports ready by the end of this week, beginning of next week, at the latest. Mr. Constantine asked when they would get the funding ratio. Ms. Rowley said Fiducient is just finishing the evaluations now, and when she receives the report, she can update the Board on the percentages. Ms. Rowley said the preliminary number was provided last Friday, and she is hoping for firm numbers by the end of the week. She said unlike last year, this year there should be little variance in what they provide versus what the final valuation will be. Mr. Constantine requested the information be sent to the Board, and Ms. Rowley confirmed it will be.

   c. Update on status of Amendment Agreement from Fiducient

Ms. Rowley said she emailed Attorney Collins to review the amendment and determine whether the Board of Finance (BOF) has authority to approve discretionary services for the investment advisor. Attorney Collins replied that he is still researching the BOF's authority and had additional questions.

Mr. Soper raised the point that if the BOF is the trustee, it would be responsible for signing the agreement, Mr. Constantine asked if there was documentation that grants the BOF such authority. Mr. Luiz suggested the Town Attorney may clarify this. Mr. Soper said that former Town Manager Richard Johnson believed that the Town Manager was the trustee, and upon further investigation the BOF was the trustee. Mr. Soper asked if there was evidence in the Town Charter. The Board concluded that further clarification is needed. Mr. Soper asked if Fiducient was given discretionary authority. Ms. Rowley replied that the IPS was updated to allow discretionary services, after which Fiducient drafted an MOU for the Town to finalize the agreement.

4. Communication: Month End Investments – October 2025

Mr. Liebel reviewed the report dated December 10, 2025.

5. Communication: Financial Summary (Expenditures) - November 2025

Ms. Rowley reviewed the report dated December 5, 2025.

6. Communication: Capital Projects – November 2025

Ms. Rowley reviewed the report dated December 5, 2025.

7. Communication: Self Insurance Reserve Fund – November 2025

Ms. Rowley reviewed the report dated December 2, 2025.

8. Communication: Transfers $5,000 or under - none

9. **<u>Action</u>**: Transfers over $5,000 – none

10. Communication: Establishment of funds

    a. Affordable Housing Trust Fund

Ms. Rowley explained this request is to establish an affordable housing trust fund. The Town Council passed an ordinance for it in September. She said after speaking with other towns that have similar funds, they emphasized that having a dedicated fund makes tracking revenues and expenditures clear for future reporting. She said funds were established with Town Council approval, but she wanted to bring this to the Board of Finance first for input before the final step with the Town Council in January.

Mr. Lynn asked if the money could be invested anywhere. Ms. Rowley said they wouldn't be establishing a separate cash fund, it would be invested. Mr. Zeller asked about the number and visibility of special revenue funds. Ms. Rowley said there are roughly 12–24, not all of which are special revenue funds, and only those requiring legal adoption appear in the budget, though all are shown in the annual audit. She added that funds are not transferred to the general fund; expenditures are charged directly to the appropriate special revenue fund. Mr. Zeller asked for synopsis of the funds. Mr. Luiz agreed to provide one.

Mr. Constantine asked about the accounting and funding of the Affordable Housing Trust Fund. Ms. Rowley said there has been one donation so far, and when that deposit has been made there will be money in the trust. Mr. Constantine asked if the Board would be funding it as well. Ms.

Rowley clarified this agenda item is meant to inform the Board of the mechanics of how they will account for the trust, she does not know how funding will end up working out.

Mr. Soper asked what qualifies as revenue, and Ms. Rowley said it includes all sources, such as gifts, grants, loans, and state or federal funds, which could potentially be included in the budget, according to Mr. Luiz.

Mr. Zeller questioned language allowing funds to purchase land but prohibiting use for eminent domain. Mr. Luiz said the language was added by a councilor, possibly borrowed from another town, and may reflect concerns that donors would object to eminent domain.

Ms. Karp asked about the BOF's role in providing comments and recommendations. She asked if it was possible that something could come to the Board of Finance before Council action. Mr. Luiz confirmed Ms. Karp is correct.

b. Unexpended Education Fund

Ms. Rowley said the Town is requesting creation of a separate fund for the Board of Education's Unexpected Education Fund. The fund, currently within the general fund and holding $4.3 million, would be separated at the auditors' recommendation to simplify accounting while still rolling into the general fund and appearing in combining statements. She said the change is purely an accounting adjustment and does not affect the fund's purpose or governing statute.

Mr. Zeller asked how the fund would be reflected in the budget, and requested visibility for the BOF. Mr. Zeller also questioned how the Board of Education plans to use the money. Ms. Rowley replied that the change was auditor-driven, and the Board of Education retains full control, and reporting to the Town is no longer required, though totals can be provided. Mr. Luiz said spending plans are unclear but could be discussed during budget season. Mr. Zeller reiterated he wanted clarity now on whether the 2% would be included in the budget. Mr. Graff suggested the Board of Finance ask the Town Manager to discuss inclusion with the Board of Education, and Ms. Karp noted it may be a reasonable request.

Mr. Soper asked if the money was held within the General Fund in short-term investments. Ms. Rowley said it will be managed the same way. It will go from a general fund to a general fund "a". It is a subset of the general fund. Mr. Soper asked if Mr. Liebel needed to know how liquid they need the money. Mr. Liebel said he doesn't need to know. Mr. Soper asked if this includes Eastbury money. Ms. Rowley confirmed it is solely a 2% allocation every year.

11. Communication: Capital Projects closeouts for FY 2026 reprogramming of funds

Ms. Rowley reviewed the report dated December 5, 2025.

12. **Action:** Cash Rounding Payment Policy

Ms. Rowley reviewed the December 5, 2025 report, noting the Town is proactively planning amid federal uncertainty. Mr. Zeller asked if the amounts could be rounded down, due to his concern about overtaxing residents. Mr. Luiz said there is no clear answer since this is uncharted territory. Ms. Rowley said amounts are currently recorded to the penny, with a separate account to track over/under balances, and that a rounding policy would require coordination with tax software. Ms. Karp asked about uniform national policy; Ms. Rowley said Senate legislation is being considered, but the Town is moving forward in the meantime. Mr. Soper asked if the Town would lose money, and Ms. Rowley said it is difficult to determine at this time.

Motion by: Ms. Karp ***Seconded by: Mr. Zeller***
BE IT RESOLVED, that the Glastonbury Board of Finance approves and recommends to the Town Council the adoption of the cash rounded payment policy as presented in the draft resolution by the Director of Finance and Administration.

Result: Motion passed unanimously {5-1-0} with Mr. Zeller voting against.

13. Discussion on Capital Improvement Projects and the approval of the referendum question projects (requested by Vice Chairman Soper)

Mr. Soper asked for an update on when referendum funds would be spent and how they would affect the CIP budget, including which years the spending would occur and whether CIP funding levels would remain steady. He noted the referendum addressed clear needs and wanted assurance that future CIP planning continues to prioritize needs over wants. Mr. Luiz said he and Ms. Rowley have not yet fully reviewed the CIP, as they are currently focused on operating budgets, but expect to do so in the coming weeks. He said the goal is to keep CIP spending as steady as possible, recognizing limited funds and factoring in Board of Education projects, and to avoid significant dips or spikes in spending, consistent with last year's approach.

Mr. Soper asked who owns and is responsible for school land. Mr. Luiz said that while legal ownership is unclear, the Town generally turns over school buildings and grounds to the school district to manage, with some collaboration. Mr. Zeller said his understanding is that the Town owns the property but the Board of Education controls it.

Mr. Soper said Town Council should at least support projects like turf fields, noting future replacement liability for taxpayers. Mr. Luiz said capital and operating budgets fall under the Town, but the 2% fund does not require Town approval. Mr. Zeller questioned whether the Board of Education could proceed with major projects without Town permission and raised concerns about reliance on pledges.

Ms. Karp said the Board of Finance does not currently have a role since no funding is being requested, and suggested waiting for the CIP to review facts rather than speculate. Mr. Zeller agreed but said timing is an issue and wants Council feedback before contracts are signed. Ms. Karp noted the issue has already been raised publicly with the Town Council and Board of Education.

14. Discussion on the FY 2027 budget process (requested by Vice Chairman Soper)

Mr. Soper explained he requested that Ms. Rowley provide the BOF with a spreadsheet that includes the various expenditure rates, as well as a scenario reflecting no tax increase.

15. Communication: Updated Budget Schedule FY 2026/2027

Ms. Rowley reviewed the report dated November 5, 2025.

16. **Action**: Amended Regular Meeting Schedule for 2026 and January 2027

Ms. Rowley reviewed the report dated November 5th, 2025.

Motion by: Ms. Karp ***Seconded by:*** Mr. Zeller
BE IT RESOLVED, that the Glastonbury Board of Finance hereby accepts the amended regular meeting schedule for 2026 and January 2027.

Result: Motion passed unanimously (6-0-0).

17. Communication: Bank Collateralization Report

Ms. Rowley reviewed the Bank Collateralization Report as of September 30, 2025.

18. Board of Finance Committee Reports, comments and remarks (no action to be taken) ***None.***

19. Adjournment

Motion by: Ms. Karp ***Seconded by:*** Mr. Zeller

BE IT RESOLVED that the Glastonbury Board of Finance moves to adjourn their meeting of December 10, 2025, at 4:52 p.m.

Result: Motion passed unanimously {6-0-0}.

Respectfully submitted,

Julia MacLean
Julia MacLean
Recording Clerk

For anyone seeking more information about this meeting, a video on demand is available at www.glastonbury-ct.gov/video. Click link to access the Town's "Video OnDemand" platform.